

**25 November 2016**

Director

EIA Improvement Project

Department of Planning and Environment

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**RE: Environmental Impact Assessment Improvement Project**

ISCA's aim in this submission is to present agencies undertaking the EIA process with the benefits, that will accrue to themselves and government generally, from early and genuine intergovernmental collaboration and community engagement, better integration with business cases and state and regional strategies and targets incorporating the assessment of cumulative impacts.

The subsequent increase may be greater intergovernmental cooperation, social licence to operate and impact data streams in addition to direct benefits such as lessening of project delays and risks, capturing cross departmental benefits (health, environmental, social) and increased environmental compliance.

Regards,



**Antony Sprigg**

Chief Executive Officer

Infrastructure Sustainability Council of Australia (ISCA)

## EIA Improvement Project

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ISCA aims to facilitate sustainable and resilient infrastructure and considers the IS rating scheme a tool that can complement Federal, State and Local government policy in managing environmental and social risks and opportunities.

### **Initiative 1: Develop a consistent framework for scoping**

The scoping process is the most crucial step in the EIA process, defining the priorities and hence the possible options which the assessment and project will follow, and as such needs to be open as possible to delimit the possible solutions to environmental and social impacts of the project. The discussion paper raises strengthening the role of risk assessment in the scoping process, ISCA proposes that it be redefined as a risk and opportunity assessment, recognising the opportunities for projects to restore the environmental capital of the state and regions, enhance the social capital of the state through complementary social works and using risk mitigation as the final option.

ISCA supports greater use of prioritisation, or materiality, processes for focusing the limited resources of government. The IS rating scheme, inspired by the Global Reporting Initiative, uses a materiality assessment process to determine the areas a project needs to focus its efforts to genuinely address the sustainability aspects which will have the most beneficial outcomes. This materiality process should also take into account state and regional priorities, for example the NSW Climate Change Policy Framework, and be informed by the previous cumulative impacts also affected by the forthcoming project.

Early engagement and collaboration, both community and intergovernmental, in the scoping process is imperative to creating the broadest set of options, including options creating benefits for multiple proponents, and for incorporating the focuses of stakeholders through the prioritisation process.

### **Initiative 2: Earlier and Better Engagement**

The discussion paper shows that the government sees that better engagement is necessary for better delivery of significant projects. ISCA agrees with this goal and believes increasing the involvement of stakeholders and the community in the early stages of scoping and prioritisation will lead to not only long term increases in social licence, it can also lead to direct benefits like reducing delays from community opposition, capturing cross government benefits and providing local perspective on the priority of issues.

ISCA also agrees that providing the community with information on how their views have been incorporated into the EIA process is extremely important. Without genuine engagement the risks to projects increase, disillusionment with the process risks project delays resulting from the community and failure to identify local risks may lead to non-compliance in the construction or operation of the project. These risks are not limited only to State Significant projects and do not scale with the size of the project, they represent a challenge to adequately engage the community or risk the perception of the process as a whole.

Incorporating elements of deliberative democracy across all stages of projects, not only the EIA process but also in the strategic planning and business case but also project delivery will have long term impacts on the credibility and social licence of the holistic system.

### **Initiative 7: Strengthen the monitoring, auditing and reporting of compliance**

It is recommended that the NSW government recognise the IS rating scheme as a complementary tool that government can use to achieve some of the compliance and verification issues. The tool's use of third party verification is an added level of scrutiny on significant projects, and is an independent check on the performance against state policies, targets and licence requirements. Incorporating targeted scores for an IS rating into project contracts can be an effective avenue to verify some compliance aspects.

As the NSW government is currently funding updates to the IS rating scheme, it should use this opportunity to develop complementary processes into both the business case and EIA processes to ensure it is being used

improve monitoring and reporting. To this end, ISCA have published the IS Planning Guidelines and provide planning services to assist proponents with incorporating sustainability broadly and the IS rating tool into a project through contacts or otherwise.

## **Cumulative Impacts**

The discussion paper raises the issue of cumulative impacts for impact assessment. Genuine assessment of these impacts will require the creation of baselines to assess against. For social, environmental and economic impacts, the data should go beyond ABS data and become more like the methodology used in the NSW BioBanking Scheme where a local ecological baseline is established and impacts measured against this, and offset accordingly.

Without the inclusion of cumulative impacts in the scoping and prioritisation process impacts to already degraded environmental and social capital will continue to be ignored and opportunities to restore or enhance this capital will not be pursued.

## **Strengthen integration with business cases**

The improvements targeted for the EIA process also need to flow into the business case process. If the EIA improvements have no impact on the options that will be funded, or that cross government benefits will not be pursued, the credibility of the EIA process will not improve and projects that reverse impacts and lessen risks will not be chosen.

ISCA believes that cross government collaboration, including engaging Treasury in the scoping process, is essential to achieving outcomes targeted by this improvement project. Increasing the ability and budget to include enhancement, restorative and engagement defined options in business cases, will achieve lower lifecycle costs, lower compliance requirements and greater community buy in. Achieving benefits to multiple portfolios through single projects will also need strong collaboration within government. Without genuine engagement from funders and other departments there will be no broader improvement in project delivery.

## **Using the IS rating scheme**

The IS rating scheme, currently being updated with the support of departments within the NSW government, has been used on many of the major projects currently underway in NSW. In addition, the IS rating scheme has been included in the SEAR process as a third party validation mechanism of sustainability performance. It is recommended that the Department of Planning and Environment collaborate on the future of the EIA process and the development of the IS rating scheme to ensure that they are complementary processes for critical projects.

## **Examples**

The use of citizen's juries and wide public consultation by Infrastructure Victoria in the development of the Victorian 30 Year Infrastructure Strategy is an example of deliberative democracy in the preliminary business case and impact assessment phase. Their experience has shown that the community through consultation have proposed a number of solutions to the strategic problems raised that had not been identified initially by Infrastructure Victoria.

The CBD and South East Light Rail project used IS planning phase support to apply the IS rating scheme through their procurement process and the ongoing management of sustainability outcomes on the project. This relationship is one that ISCA recommends projects, with/without a requirement to undertake SEARs, to enter into in the earliest stages possible to gain the best possible sustainability outcomes at the start of their project lifecycle.

## **Recommendations**

ISCA suggest the following actions to improve the EIA process:

- Incorporate opportunity assessment in the scoping process to help identify options to restore and enhance environmental and social capital.
- Use the principles of deliberative democracy in the EIA process to build credibility and improve priority determination.
- Create and use state and regional level cumulative impact baselines for environmental and social values in scoping and prioritisation.
- Use the EIA process to identify the most beneficial distribution of risk between government and contractors.
- Align the EIA process with the IS Rating Scheme including the the IS Planning Guidelines.
- Capture benefits from better cross government collaboration.

## About ISCA

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The Infrastructure Sustainability Council of Australia (ISCA) is a member-based not-for-profit public and private industry council. ISCA is the peak industry body for advancing sustainability outcomes in infrastructure.

ISCA specialise in the facilitation and development of industry led performance based integrated triple-bottom-line governance and reporting frameworks, decision tools and rating tools; generating communities of practise throughout the lifecycle from funding, planning, procurement, design and delivery to operations and maintenance.

ISCA is advancing sustainability outcomes in infrastructure through the development and facilitation of the IS rating scheme. The IS rating scheme is an industry-compiled voluntary sustainability performance rating scheme evaluating planning, design, construction and operation of all infrastructure asset classes in all sectors linking industry, communities and commerce beyond regulatory standards. Since launching in 2012, over \$80 billion in infrastructure and civil works projects or assets across Australia and New Zealand have either been certified or registered for an IS rating. The IS rating scheme is Australia's only comprehensive rating scheme for evaluating sustainability across design, construction and operation of infrastructure.

For more information visit [www.isca.org.au](http://www.isca.org.au)

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